46

H. B. No.

023E/HR40/R17 PAGE 1 (CJR\BD)

By: Representative Fleming

To: Select Committee on Civil Justice Reform

HOUSE BILL NO. 5

AN ACT TO AMEND SECTIONS 11-11-3, 11-11-5, 11-11-7, 11-11-11 AND 11-11-13, MISSISSIPPI CODE OF 1972, TO REVISE VENUE IN CIVIL ACTIONS; TO CLARIFY JOINDER OF CLAIMS; TO AMEND SECTION 11-46-1, MISSISSIPPI CODE OF 1972, TO CLARIFY THAT CERTAIN MEDICAL 3 PRACTITIONERS ARE EMPLOYEES UNDER THE TORT CLAIMS ACT; TO CREATE SECTION 11-1-62, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT PHYSICIANS AND PHARMACISTS SHALL NOT BE LIABLE FOR PRESCRIBING FDA 7 APPROVED DRUGS; TO CREATE SECTION 11-1-64, MISSISSIPPI CODE OF 8 1972, TO INSULATE INNOCENT SELLERS OF PRODUCTS; TO AMEND SECTION 9 11-1-63, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTION 15-1-36, MISSISSIPPI CODE OF 1972, TO REDUCE THE PERIOD 10 FOR COMMENCING A MALPRACTICE ACTION AGAINST A NURSING FACILITY; TO 12 PROVIDE A NINETY-DAY NOTICE FOR MEDICAL MALPRACTICE ACTIONS; TO 13 AMEND SECTION 85-5-7, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT PERSONS COVERED UNDER THE TORT CLAIMS ACT ARE ONLY LIABLE FOR THE 14 15 PERCENTAGE OF THEIR FAULT IN CIVIL ACTIONS; TO PROVIDE THAT 16 PAYMENTS FROM COLLATERAL SOURCES SHALL BE REDUCED FROM AWARDS IN 17 CIVIL ACTIONS; TO REQUIRE AFFIDAVITS IN MEDICAL MALPRACTICE 18 ACTIONS; TO PROVIDE FOR PERIODIC PAYMENTS FOR AWARDS OF \$50,000.00 19 OR MORE; TO PROVIDE A LIMITATION ON THE AWARD OF NONECONOMIC 20 DAMAGES; TO CREATE A MEDICAL MALPRACTICE RISK POOL TO PROVIDE 21 NECESSARY MEDICAL MALPRACTICE FOR CERTAIN HEALTH CARE PROVIDERS; 22 TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, TO PROVIDE INITIAL FUNDING FOR THE MEDICAL MALPRACTICE RISK POOL; TO AMEND 23 2.4 25 SECTION 43-11-1, MISSISSIPPI CODE OF 1972, TO DEFINE THE TERM MEDICAL RECORDS; TO CREATE SECTION 43-11-16, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MEDICAL RECORDS SHALL REMAIN THE PROPERTY OF THE INSTITUTIONS FOR THE AGED AND INFIRM, SUBJECT TO REASONABLE 26 27 28 ACCESS TO THE INFORMATION CONTAINED THEREIN UPON GOOD CAUSE SHOWN 29 BY THE RESIDENT, HIS PERSONAL REPRESENTATIVES OR HEIRS; TO CREATE 30 31 THE MEDICAL MALPRACTICE MEDIATION BOARD AND PROVIDE FOR ITS 32 MEMBERSHIP; TO PROVIDE FOR MEDIATION FOR MEDICAL MALPRACTICE AND NURSING FACILITY DISPUTES; TO PROVIDE FOR THE APPOINTMENT AND CERTIFICATION OF MEDIATORS; TO PROVIDE THAT MEDIATION SHALL BE 33 34 NONBINDING UNLESS THE PARTIES AGREE TO MAKE IT BINDING; TO REQUIRE 35 THE COMMISSIONER OF INSURANCE TO ANNUALLY COMPILE AND PROVIDE TO 36 THE LEGISLATURE A REPORT REGARDING MEDICAL MALPRACTICE CLAIMS; TO 37 PROVIDE INCENTIVE FOR MEDICAL SCHOOL GRADUATES TO PRACTICE IN THE 38 39 STATE; TO PROVIDE IMMUNITY FOR MEDICAL PERSONNEL PROVIDING VOLUNTEER SERVICE TO SCHOOL PROGRAMS; AND FOR RELATED PURPOSES. 40 41 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: SECTION 1. Section 11-11-3, Mississippi Code of 1972, is 42 amended as follows: 43 11-11-3. (1) Civil actions of which the circuit court has 44 original jurisdiction shall be commenced in the county in which 45

the defendant resides or in the county where the cause of action

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- may occur or accrue and, if the defendant is a domestic 47 48 corporation, in the county in which said corporation is domiciled or in the county where the cause of action may occur or accrue, 49 50 except where otherwise provided, and except actions of trespass on 51 land, ejectment and actions for the statutory penalty for cutting and boxing trees and firing woods and actions for the actual value 52 of trees cut which shall be brought in the county where the land 53 or some part thereof is situated. If a civil action is brought in 54 an improper county, such action may be transferred to the proper 55 county pursuant to Section 11-11-17. 56
- 57 (2) In any civil action brought in the courts of this state, venue must be proper as to each and every named defendant and 58 59 plaintiff unless the plaintiffs assert a claim to relief out of the same transaction or occurrence brought in the county and 60 judicial district which has the greatest connection to the events 61 or omissions giving rise to the cause of action occurred or in 62 which a substantial part of property which is the subject of the 63 64 action is situated. In other cases where the claims may be properly joined, such as cases involving the existence of a 65 66 substantial number of common questions of law or material fact, venue shall be proper only if venue would be proper as to each 67 68 plaintiff if the plaintiff filed the case as the only plaintiff and as to each defendant as if the defendant were the only 69 defendant. If the venue is improper as to any party, then the 70 71 claims involving that party shall be severed and transferred to a county where venue is proper as to such claims. 72
- 73 **SECTION 2.** Section 11-11-5, Mississippi Code of 1972, is 74 amended as follows:
- 11-11-5. Actions against any railroad, express, steamboat, power, superpower, telegraph or telephone corporation, or against individuals owning, managing, operating or controlling a railroad, express line or route, steamboat, power, superpower, telephone or telegraph line, or against any corporation or individuals owning,

- 80 managing, operating or controlling a motor transportation line for
- 81 the conveyance of passengers, freight or express, for hire, over
- 82 the highways in the State of Mississippi, may be brought in the
- 83 county where the cause of action accrued or in the county where
- 84 the defendant has its principal place of business * * * at the
- 85 time that the cause of action accrued.
- SECTION 3. Section 11-11-7, Mississippi Code of 1972, is
- 87 amended as follows:
- 88 11-11-7. Actions against insurance companies, groups of
- 89 insurance companies or an insurance association may be brought in
- 90 any county in which a loss may occur, or, if on a life policy, in
- 91 the county in which the beneficiary resides, and process may be
- 92 sent to any county, to be served as directed by law. Such actions
- 93 may also be brought in the county where the principal place of
- 94 business of such corporation or company may be. In case of a
- 95 foreign corporation or company, such actions may be brought in the
- 96 county where service of process may be had on an agent of such
- 97 corporation or company or service of process in any suit or
- 98 action, or any other legal process, may be served upon the
- 99 Insurance Commissioner of the State of Mississippi, and such
- 100 notice will confer jurisdiction on any court in any county in the
- 101 state where the suit is filed, provided the suit is brought in the
- 102 county where the loss occurred * * *.
- SECTION 4. Section 11-11-11, Mississippi Code of 1972, is
- 104 amended as follows:
- 105 11-11-11. Any civil action for the recovery of damages
- 106 brought against a nonresident or the representative of the
- 107 nonresident in the State of Mississippi may be commenced in the
- 108 county in which the action accrued * * *, except as otherwise
- 109 provided by law.
- SECTION 5. Section 11-11-13, Mississippi Code of 1972, is
- 111 amended as follows:

- 112 11-11-13. The venue of an action for damages brought against
- 113 a nonresident arising from his operation, either in person or by
- 114 agent or employee, of a motor vehicle upon any public street,
- 115 road, or highway of this state, or elsewhere in this state, shall
- 116 be * * * in the county where the cause of action accrued * * *.
- 117 SECTION 6. Section 11-46-1, Mississippi Code of 1972, is
- 118 amended as follows:
- 119 11-46-1. As used in this chapter the following terms shall
- 120 have the meanings herein ascribed unless the context otherwise
- 121 requires:
- 122 (a) "Claim" means any demand to recover damages from a
- 123 governmental entity as compensation for injuries.
- 124 (b) "Claimant" means any person seeking compensation
- 125 under the provisions of this chapter, whether by administrative
- 126 remedy or through the courts.
- 127 (c) "Board" means the Mississippi Tort Claims Board.
- 128 (d) "Department" means the Department of Finance and
- 129 Administration.
- 130 (e) "Director" means the executive director of the
- 131 department who is also the executive director of the board.
- 132 (f) "Employee" means any officer, employee or servant
- 133 of the State of Mississippi or a political subdivision of the
- 134 state, including elected or appointed officials and persons acting
- on behalf of the state or a political subdivision in any official
- 136 capacity, temporarily or permanently, in the service of the state
- 137 or a political subdivision whether with or without compensation.
- 138 The term "employee" shall not mean a person or other legal entity
- 139 while acting in the capacity of an independent contractor under
- 140 contract to the state or a political subdivision; provided,
- 141 however, that for purposes of the limits of liability provided for
- in Section 11-46-15, the term "employee" shall include physicians
- 143 under contract to provide health services with the State Board of
- 144 Health, the State Board of Mental Health or any county or

municipal jail facility while rendering services under such 145 contract. The term "employee" shall also include any physician, 146 147 dentist or other medical practitioner under contract or affiliated 148 with or employed by the University of Mississippi Medical Center, 149 its departmental practice plans, or who practices on the campus of any university under the control of the Board of Trustees of State 150 Institutions of Higher Learning only for the purposes of acting 151 within the course and scope of their contract, affiliation or 152 153 employment. The term "employee" shall also include any physician, dentist or other medical practitioner under contract or affiliated 154 155 with or employed by the State Veterans Affairs Board only for the purposes of acting within the course and scope of their contract, 156 157 affiliation or employment. The term "employee" shall also include Mississippi Department of Human Services licensed foster parents 158 for the limited purposes of coverage under the Tort Claims Act as 159 provided in Section 11-46-8. 160

- 161 (g) "Governmental entity" means and includes the state 162 and political subdivisions as herein defined.
- (h) "Injury" means death, injury to a person, damage to or loss of property or any other injury that a person may suffer that is actionable at law or in equity.
- 166 (i) "Political subdivision" means any body politic or 167 body corporate other than the state responsible for governmental 168 activities only in geographic areas smaller than that of the 169 state, including but not limited to any county, municipality, school district, community hospital as defined in Section 170 171 41-13-10, Mississippi Code of 1972, airport authority or other instrumentality thereof, whether or not such body or 172 instrumentality thereof has the authority to levy taxes or to sue 173 or be sued in its own name. 174

- 178 other instrumentality thereof, whether or not such body or
- 179 instrumentality thereof has the authority to levy taxes or to sue
- 180 or be sued in its own name.
- 181 (k) "Law" means all species of law including but not
- 182 limited to any and all constitutions, statutes, case law, common
- 183 law, customary law, court order, court rule, court decision, court
- 184 opinion, court judgment or mandate, administrative rule or
- 185 regulation, executive order, or principle or rule of equity.
- 186 **SECTION 7.** The following shall be codified as Section
- 187 11-1-62, Mississippi Code of 1972:
- 188 11-1-62. In any civil action alleging damages caused by a
- 189 prescription drug and absent any negligence on the part of the
- 190 physician or pharmacist, a physician or pharmacist shall be
- 191 indemnified by the manufacturer of the prescription drug for any
- 192 damages if the federal Food and Drug Administration (FDA) has
- 193 approved that drug for treatment of the condition, disease or
- 194 illness for which the drug was prescribed. It is the intent of
- 195 this section to indemnify innocent physicians and pharmacists who
- 196 are not actively negligent from forum-driven lawsuits and that, as
- 197 to any claim brought against a physician under this section, the
- 198 physician's insurer shall not count such claim against the
- 199 physician for the purposes of insurance underwriting or, in any
- 200 way, increase premiums for or deny insurance coverage.
- SECTION 8. Section 11-1-63, Mississippi Code of 1972, is
- 202 amended as follows:
- 203 11-1-63. In any action for damages caused by a product
- 204 except for commercial damage to the product itself:
- 205 (a) Subject to the provisions of Section 11-1-62, the
- 206 manufacturer, seller, distributor or prescriber of the product
- 207 shall not be liable if the claimant does not prove by the
- 208 preponderance of the evidence that at the time the product left
- 209 the control of the manufacturer, seller, distributor or
- 210 prescriber:

211	(i) 1. The product was defective because it
212	deviated in a material way from the manufacturer's specifications
213	or from otherwise identical units manufactured to the same
214	manufacturing specifications, or
215	2. The product was defective because it
216	failed to contain adequate warnings or instructions, or
217	3. The product was designed in a defective
218	manner, or
219	4. The product breached an express warranty
220	or failed to conform to other express factual representations upon
221	which the claimant justifiably relied in electing to use the
222	product; and
223	(ii) The defective condition rendered the product
224	unreasonably dangerous to the user or consumer; and
225	(iii) The defective and unreasonably dangerous
226	condition of the product proximately caused the damages for which
227	recovery is sought.
228	(b) A product is not defective in design or formulation
229	if the harm for which the claimant seeks to recover compensatory
230	damages was caused by an inherent characteristic of the product
231	which is a generic aspect of the product that cannot be eliminated
232	without substantially compromising the product's usefulness or
233	desirability and which is recognized by the ordinary person with
234	the ordinary knowledge common to the community.
235	(c) (i) In any action alleging that a product is
236	defective because it failed to contain adequate warnings or
237	instructions pursuant to paragraph (a)(i)2 of this section, the
238	manufacturer, seller, distributor or prescriber shall not be
239	liable if the claimant does not prove by the preponderance of the
240	evidence that at the time the product left the control of the
241	manufacturer, seller, distributor or prescriber, the manufacturer,
242	seller, distributor or prescriber knew or in light of reasonably
243	available knowledge should have known about the danger that caused

the damage for which recovery is sought and that the ordinary user or consumer would not realize its dangerous condition.

- 246 (ii) An adequate product warning or instruction is 247 one that a reasonably prudent person in the same or similar 248 circumstances would have provided with respect to the danger and that communicates sufficient information on the dangers and safe 249 use of the product, taking into account the characteristics of, 250 and the ordinary knowledge common to an ordinary consumer who 251 252 purchases the product; or in the case of a prescription drug, medical device or other product that is intended to be used only 253 254 under the supervision of a physician or other licensed professional person, taking into account the characteristics of, 255 256 and the ordinary knowledge common to, a physician or other 257 licensed professional who prescribes the drug, device or other 258 product.
- 259 (d) For purposes of this section:
- 260 <u>(i) "Seller" means any person or entity that sells</u>
 261 products of any kind.
- 262 (ii) "Prescriber" means any person licensed by the 263 State of Mississippi to prescribe medicine.
- In any action alleging that a product is defective 264 (e) 265 pursuant to paragraph (a) of this section, the manufacturer, seller, distributor or prescriber shall not be liable if the 266 claimant (i) had knowledge of a condition of the product that was 267 268 inconsistent with his safety; (ii) appreciated the danger in the condition; and (iii) deliberately and voluntarily chose to expose 269 himself to the danger in such a manner to register assent on the 270 continuance of the dangerous condition. 271
- 272 <u>(f)</u> In any action alleging that a product is defective 273 pursuant to paragraph (a)(i)2 of this section, the manufacturer, 274 seller, distributor or prescriber shall not be liable if the 275 danger posed by the product is known or is open and obvious to the 276 user or consumer of the product, or should have been known or open

and obvious to the user or consumer of the product, taking into 278 account the characteristics of, and the ordinary knowledge common 279 to, the persons who ordinarily use or consume the product.

(g) In any action alleging that a product is defective because of its design pursuant to paragraph (a)(i)3 of this section, the manufacturer or product seller shall not be liable if the claimant does not prove by the preponderance of the evidence that at the time the product left the control of the manufacturer or seller:

(i) The manufacturer, seller, distributor or

prescriber knew, or in light of reasonably available knowledge or

in the exercise of reasonable care should have known, about the

danger that caused the damage for which recovery is sought; and

(ii) The product failed to function as expected

and there existed a feasible design alternative that would have to

a reasonable probability prevented the harm. A feasible design alternative is a design that would have to a reasonable probability prevented the harm without impairing the utility, usefulness, practicality or desirability of the product to users

296 or consumers.

(h) (i) The manufacturer of a product who is found liable for a defective product pursuant to subsection (a) shall indemnify a product seller, distributor or prescriber for the costs of litigation, any reasonable expenses, reasonable attorney's fees and any damages awarded by the trier of fact unless the seller, distributor or prescriber exercised substantial control over that aspect of the design, testing, manufacture, packaging or labeling of the product that caused the harm for which recovery of damages is sought; the seller, distributor or prescriber altered or modified the product, and the alteration or modification was a substantial factor in causing the harm for which recovery of damages is sought; the seller, distributor or prescriber had actual knowledge of the defective condition of the

- 310 product at the time he supplied same; or the seller, distributor
- 311 or prescriber made an express factual representation about the
- 312 aspect of the product which caused the harm for which recovery of
- 313 damages is sought.
- 314 (ii) Subparagraph (i) shall not apply unless the
- 315 seller, distributor or prescriber has given prompt notice of the
- 316 suit to the manufacturer within thirty (30) days of the filing of
- 317 the complaint against the seller.
- 318 (i) Nothing in this section shall be construed to
- 319 eliminate any common law defense to an action for damages caused
- 320 by a product.
- 321 **SECTION 9.** The following shall be codified as Section
- 322 11-1-64, Mississippi Code of 1972:
- 11-1-64. (1) In any civil action alleging damages caused by
- 324 a product, a product seller other than a manufacturer shall not be
- 325 liable for a latent defect if the seller is a mere conduit who
- 326 purchased the product from a reputable manufacturer. It is the
- 327 intent of this section to insulate innocent sellers who are not
- 328 actively negligent from forum driven lawsuits.
- 329 (2) A product seller shall not be considered to have failed
- 330 to exercise reasonable care with respect to a product based upon
- an alleged failure to inspect the product, if there was no
- 332 reasonable opportunity to inspect the product; or the inspection,
- in the exercise of reasonable care, would not have revealed that
- 334 the product was defective.
- 335 (3) Nothing in this section shall be construed to eliminate
- 336 any common law defense to an action for damages caused by a
- 337 product.
- 338 SECTION 10. Section 15-1-36, Mississippi Code of 1972, is
- 339 amended as follows:
- 340 15-1-36. (1) For any claim accruing on or before June 30,
- 341 1998, and except as otherwise provided in this section, no claim
- 342 in tort may be brought against a licensed physician, osteopath,

dentist, hospital, <u>nursing facility</u>, nurse, pharmacist,

podiatrist, optometrist or chiropractor for injuries or wrongful

death arising out of the course of medical, surgical or other

professional services unless it is filed within two (2) years from

the date the alleged act, omission or neglect shall or with

reasonable diligence might have been first known or discovered.

- (2) For any claim accruing on or after July 1, 1998, and except as otherwise provided in this section, no claim in tort may be brought against a licensed physician, osteopath, dentist, hospital, nursing facility, nurse, pharmacist, podiatrist, optometrist or chiropractor for injuries or wrongful death arising out of the course of medical, surgical or other professional services unless it is filed within two (2) years from the date the alleged act, omission or neglect shall or with reasonable diligence might have been first known or discovered, and, except as described in paragraphs (a) and (b) of this subsection, in no event more than seven (7) years after the alleged act, omission or neglect occurred:
- 361 (a) In the event a foreign object introduced during a
 362 surgical or medical procedure has been left in a patient's body,
 363 the cause of action shall be deemed to have first accrued at, and
 364 not before, the time at which the foreign object is, or with
 365 reasonable diligence should have been, first known or discovered
 366 to be in the patient's body.
- 367 (b) In the event the cause of action shall have been 368 fraudulently concealed from the knowledge of the person entitled 369 thereto, the cause of action shall be deemed to have first accrued 370 at, and not before, the time at which such fraud shall be, or with 371 reasonable diligence should have been, first known or discovered.
 - (3) Except as otherwise provided in subsection (4) of this section, if at the time at which the cause of action shall or with reasonable diligence might have been first known or discovered, the person to whom such claim has accrued shall be six (6) years H. B. No. 5

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of age or younger, then such minor or the person claiming through
such minor may, notwithstanding that the period of time limited

pursuant to subsections (1) and (2) of this section shall have
expired, commence action on such claim at any time within two (2)

years next after the time at which the minor shall have reached

his sixth birthday, or shall have died, whichever shall have first
occurred.

- with reasonable diligence might have been first known or discovered, the person to whom such claim has accrued shall be a minor without a parent or legal guardian, then such minor or the person claiming through such minor may, notwithstanding that the period of time limited pursuant to subsections (1) and (2) of this section shall have expired, commence action on such claim at any time within two (2) years next after the time at which the minor shall have a parent or legal guardian or shall have died, whichever shall have first occurred; provided, however, that in no event shall the period of limitation begin to run prior to such minor's sixth birthday unless such minor shall have died.
- with reasonable diligence might have been first known or discovered, the person to whom such claim has accrued shall be under the disability of unsoundness of mind, then such person or the person claiming through him may, notwithstanding that the period of time hereinbefore limited shall have expired, commence action on such claim at any time within two (2) years next after the time at which the person to whom the right shall have first accrued shall have ceased to be under the disability, or shall have died, whichever shall have first occurred.
- 405 (6) When any person who shall be under the disabilities
 406 mentioned in subsections (3), (4) and (5) of this section at the
 407 time at which his right shall have first accrued, shall depart
 408 this life without having ceased to be under such disability, no
 H. B. No. 5

- 409 time shall be allowed by reason of the disability of such person
- 410 to commence action on the claim of such person beyond the period
- 411 prescribed under Section 15-1-55, Mississippi Code of 1972.
- 412 (7) For the purposes of subsection (3) of this section, and
- 413 only for the purposes of such subsection, the disability of
- 414 infancy or minority shall be removed from and after a person has
- 415 reached his sixth birthday.
- 416 (8) For the purposes of subsection (4) of this section, and
- 417 only for the purposes of such subsection, the disability of
- 418 infancy or minority shall be removed from and after a person has
- 419 reached his sixth birthday or from and after such person shall
- 420 have a parent or legal guardian, whichever occurs later, unless
- 421 such disability is otherwise removed by law.
- 422 (9) The limitation established by this section as to a
- 423 licensed physician, osteopath, dentist, hospital or nurse shall
- 424 apply only to actions the cause of which accrued on or after July
- 425 1, 1976.
- 426 (10) The limitation established by this section as to
- 427 pharmacists shall apply only to actions the cause of which accrued
- 428 on or after July 1, 1978.
- 429 (11) The limitation established by this section as to
- 430 podiatrists shall apply only to actions the cause of which accrued
- 431 on or after July 1, 1979.
- 432 (12) The limitation established by this section as to
- 433 optometrists and chiropractors shall apply only to actions the
- 434 cause of which accrued on or after July 1, 1983.
- 435 (13) The limitation established by this section as to
- 436 actions commenced on behalf of minors shall apply only to actions
- 437 the cause of which accrued on or after July 1, 1989.
- 438 (14) The limitation established by this section as to
- 439 nursing facilities shall apply only to actions the cause of which
- 440 accrued after the passage of House Bill No. ____, Third
- 441 Extraordinary Session of 2002.

442 (15) No action based upon the health care provider's professional negligence may be begun unless the defendant has been 443 given at least ninety (90) days' prior notice of the intention to 444 445 begin the action. No particular form of notice is required, but 446 it shall notify the defendant of the legal basis of the claim and the type of loss sustained, including with specificity the nature 447 of the injuries suffered. If the notice is served within ninety 448 (90) days of the expiration of the applicable statute of 449 450 limitations, the time for the beginning of the action shall be extended ninety (90) days from the service of the notice. This 451 452 subsection shall not be applicable with respect to any defendant whose name is unknown to the plaintiff at the time of filing the 453 454 complaint and who is identified therein by a fictitious name. 455 SECTION 11. Section 85-5-7, Mississippi Code of 1972, is 456 amended as follows: 85-5-7. (1) As used in this section "fault" means an act or 457 omission of a person which is a proximate cause of injury or death 458 459 to another person or persons, damages to property, tangible or intangible, or economic injury, including but not limited to 460 negligence, malpractice, strict liability, absolute liability or 461 462 failure to warn. "Fault" shall not include any tort which results 463 from an act or omission committed with a specific wrongful intent. 464 Except as may be otherwise provided in subsection (6) of this section, in any civil action based on fault, the liability 465 466 for damages caused by two (2) or more persons shall be joint and several only to the extent necessary for the person suffering 467 468 injury, death or loss to recover fifty percent (50%) of his recoverable damages, except as the liability for damages caused by 469 any persons covered under the provisions of Section 11-46-1 et 470 seq. shall be limited to such person's own percentage of fault. 471 472 Except as otherwise provided in subsections (2) and (6) 473 of this section, in any civil action based on fault, the liability 474 for damages caused by two (2) or more persons shall be several

H. B. No. 5
023E/HR40/R17
PAGE 14 (CJR\BD)

- only, and not joint and several and a joint tortfeasor shall be 475 476 liable only for the amount of damages allocated to him in direct proportion to his percentage of fault. In assessing percentages 477 478 of fault an employer and the employer's employee or a principal 479 and the principal's agent shall be considered as one (1) defendant when the liability of such employer or principal has been caused 480 481 by the wrongful or negligent act or omission of the employee or 482 agent.
- 483 (4) Any defendant held jointly liable under this section
 484 shall have a right of contribution against fellow joint
 485 tortfeasors. A defendant shall be held responsible for
 486 contribution to other joint tortfeasors only for the percentage of
 487 fault assessed to such defendant.
- 488 (5) Nothing in this section shall eliminate or diminish any 489 defenses or immunities which currently exist, except as expressly 490 noted herein.
- (6) Joint and several liability shall be imposed on all who consciously and deliberately pursue a common plan or design to commit a tortious act, or actively take part in it. Any person held jointly and severally liable under this section shall have a right of contribution from his fellow defendants acting in concert.
- 497 (7) In actions involving joint tortfeasors, the trier of 498 fact shall determine the percentage of fault for each party 499 alleged to be at fault.
- 500 (8) Nothing in this section shall be construed to create a 501 cause of action. Nothing in this section shall be construed, in 502 any way, to alter the immunity of any person.
- SECTION 12. After the jury makes an award in an action for personal injury against a health care provider based upon professional negligence, the defendant may present to the presiding judge evidence of any amount payable as a benefit to the plaintiff as a result of the personal injury under the United

States Social Security Act, any state or federal income disability 508 509 or worker's compensation act, any health, sickness or income-disability insurance, accident insurance that provides 510 511 health benefits or income-disability coverage and any contract or 512 agreement of any group, organization, partnership or corporation to provide, pay for or reimburse the cost of medical, hospital, 513 dental or other health care services. If the defendant elects to 514 present such evidence, the plaintiff may introduce evidence of any 515 amount which the plaintiff has paid or contributed to secure his 516 right to these insurance benefits. The plaintiff may also 517 518 introduce evidence of any leave time lost due to the personal injury. The presiding judge shall reduce the jury award by no 519 520 more than half of the amount of such benefits less any amount which the plaintiff has paid or contributed to secure such 521 522 benefits. "Health care provider" means an individual licensed, 523 certified or otherwise authorized or permitted by law to provide 524

"Health care provider" means an individual licensed, certified or otherwise authorized or permitted by law to provide health care in the ordinary course of business or practice of a profession. "Health care provider" also means any hospital or nursing facility.

"Professional negligence" means a negligent act or omission to act by a health care provider in the rendering of professional services, which act or omission is the proximate cause of a personal injury or wrongful death, provided that such services are within the scope of services for which the provider is licensed and which are not within any restriction imposed by the licensing agency or licensed hospital.

535 **SECTION 13.** Before any action for medical malpractice may be 536 brought, the attorney bringing such action shall sign an affidavit as an officer of the court stating that he has had his case 538 reviewed by a medical expert and the medical expert has determined 539 that medical malpractice is evident in such action.

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(1) In any action for injury or damages against 540 SECTION 14. a provider of health care services, the court shall, at the 541 request of either party, enter a judgment ordering that money 542 543 damages or its equivalent for future damages of the judgment 544 creditor be paid in whole or in part by periodic payments rather than by a lump-sum payment if the award equals or exceeds Fifty 545 546 Thousand Dollars (\$50,000.00) in future damages. In entering a 547 judgment ordering the payment of future damages by periodic 548 payments, the court shall make a specific finding as to the dollar amount of periodic payments which will compensate the judgment 549 550 creditor for such future damages. As a condition to authorizing period payments of future damages, the court shall require the 551 552 judgment debtor who is not adequately insured to post security 553 adequate to assure full payment of such damages awarded by the judgment. Upon termination of periodic payments of future 554 damages, the court shall order the return of this security, or so 555 much as remains, to the judgment debtor. 556

(2) (a) The judgment ordering the payment of future damages by periodic payments shall specify the recipient or recipients of the payments, the dollar amount of the payments, the interval between payments, and the number of payments or the period of time over which payments shall be made. Such payments shall only be subject to modification in the event of the death of the judgment creditor.

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PAGE 17 (CJR\BD)

- (b) In the event that the court finds that the judgment debtor has exhibited a continuing pattern of failing to make the payments, as specified in paragraph (a), the court shall find the judgment debtor in contempt of court and, in addition to the required periodic payments, shall order the judgment debtor to pay the judgment creditor all damages caused by the failure to make such period payments, including court costs and attorney's fees.
- (3) However, money damages awarded for loss of future earnings shall not be reduced or payments terminated by reason of H. B. No. 5
 023E/HR40/R17

- the death of the judgment creditor, but shall be paid to persons to whom the judgment creditor owed a duty of support, as provided by law, immediately prior to his death. In such cases the court which rendered the original judgment, may, upon petition of any party in interest, modify the judgment to award and apportion the unpaid future damages in accordance with this subsection.
- obligations specified in the periodic payment judgment, any
 obligation of the judgment debtor to make further payments shall
 cease and any security given, pursuant to subsection (1) shall
 revert to the judgment debtor.
- 584 (5) As used in this section:
- 585 (a) "Future damages" includes damages for future
 586 medical treatment, care or custody, loss of future earnings, loss
 587 of bodily function, or future pain and suffering of the judgment
 588 creditor.
- (b) "Periodic payments" means the payment of money or delivery of other property to the judgment creditor at regular intervals.
- (c) "Health care provider" means an individual
 licensed, certified, or otherwise authorized or permitted by law
 to provide health care in the ordinary course of business or
 practice of a profession. "Health care provider" includes the
 legal representatives of a health care provider. "Health care
 provider" also means any hospital or nursing facility.
- omission to act by a health care provider in the rendering of professional services, which act or omission is the proximate cause of a personal injury or wrongful death, provided that such services are within the scope of services for which the provider is licensed and which are not within any restriction imposed by the licensing agency or licensed hospital.

It is the intent of the Legislature in enacting this 605 606 section to authorize the entry of judgments in malpractice actions against health care providers which provide for the payment of 607 608 future damages through periodic payments rather than lump-sum 609 payments. By authorizing periodic payment judgments, it is the 610 further intent of the Legislature that the courts will utilize such judgments to provide compensation sufficient to meet the 611 needs of an injured plaintiff and those persons who are dependent 612 on the plaintiff for whatever period is necessary while 613 eliminating the potential windfall from a lump-sum recovery which 614 615 was intended to provide for the care of an injured plaintiff over an extended period who then dies shortly after the judgment is 616 617 paid, leaving the balance of the judgment award to persons and purposes for which it was not intended. It is also the intent of 618 the Legislature that all elements of the periodic payment program 619 620 be specified with certainty in the judgment ordering such payments and that the judgment not be subject to modification at some 621 622 future time which might alter the specifications of the original 623 judgment.

624 <u>SECTION 15.</u> (1) For the purposes of this section, the 625 following words and phrases shall have the meanings ascribed

626 herein unless the context clearly requires otherwise: 627 "Noneconomic damages" means subjective, nonpecuniary damages arising from death, pain, suffering, 628 629 inconvenience, physical impairment, disfigurement, mental anguish, worry, emotional distress, loss of society and companionship, loss 630 631 of consortium, bystander injury, injury to reputation, humiliation, loss of the enjoyment of life, hedonic damages, other 632 nonpecuniary damages, and any other theory of damages such as fear 633 of loss, illness or injury. The term "noneconomic damages" shall 634

(b) "Actual economic damages" means objectively

verifiable pecuniary damages arising from medical expenses and

H. B. No. 5
023E/HR40/R17
PAGE 19 (CJR\BD)

not include punitive damages.

medical care, rehabilitation services, custodial care, 638 639 disabilities, loss of earnings and earning capacity, loss of income, burial costs, loss of use of property, costs of repair of 640 641 replacement of property, costs of obtaining substitute domestic 642 services, loss of employment, loss of business or employment opportunities, and other objectively verifiable monetary losses. 643 644 (2) In any action for malpractice, negligence, error, (a) omission, mistake or the unauthorized rendering of professional 645 services against a provider of health care, the court shall 646 instruct the jury that in the event they find the defendant 647 648 liable, they shall not award the plaintiff more than Eight Hundred Fifty Thousand Dollars (\$850,000.00) for pain and suffering, loss 649 650 of companionship, embarrassment and other items of general damages 651 unless the judge determines by clear and convincing evidence that 652 there is substantial or permanent loss or impairment of a bodily 653 function or substantial disfigurement, or other special circumstances in the case which warrant a finding that imposition 654 655 of such a limitation would deprive the plaintiff of just compensation for the injuries sustained. In any such action which 656 657 is tried without a jury, the court shall not award the plaintiff 658 more than Eight Hundred Fifty Thousand Dollars (\$850,000.00) for 659 pain and suffering, loss of companionship, embarrassment and other 660 items of general damages unless the aforesaid findings are made specially by the court and stated separately in the judgment 661 662 entered by the court. It is the intent of this section to limit all noneconomic damages to the above. 663 664 The limitations on damages set forth in this

664 (b) The limitations on damages set forth in this
665 section shall be adjusted for inflation annually. The adjustment
666 shall be based on the cumulative annual adjustment for inflation
667 for each year since the effective date of the damages limitations
668 in this section. The adjustment made pursuant to this paragraph
669 shall be rounded upward or downward to the nearest increment of
670 Ten Dollars (\$10.00).

- (c) As used in this section, "inflation" means the
 annual percentage change in the United States Department of Labor,
 Bureau of Labor Statistics, Consumer Price Index for the State of
 Mississippi, all items, all urban consumers or its successor
 index.
- (d) The Secretary of State shall certify the adjusted limitation on damages within fourteen (14) days after the appropriate information is available.
- The limitations provided in this section are 679 (e) contingent upon insurance companies which underwrite medical 680 681 malpractice insurance in the state annually passing a projected savings from the limitations provided in this section to their 682 683 customers. The Commissioner of Insurance shall annually report 684 such projected savings and shall reject any rate increases, if 685 such savings are not passed on to Mississippi clients during the 686 previous year.
- SECTION 16. The Commissioner of Insurance shall establish a 687 688 medical malpractice risk pool for the purpose of making necessary medical malpractice insurance available for physicians, registered 689 690 nurses and all other personnel who are duly licensed to practice in a hospital and hospitals. Monies in the amount of One Dollar 691 692 (\$1.00) for the initial funding of the Medical Malpractice Risk Pool shall be drawn from the Health Care Expendable Fund 693 established in Section 43-13-407. The Commissioner of Insurance 694 695 shall promulgate rules and regulations necessary for the operation of the risk pool. 696
- 697 **SECTION 17.** Section 43-13-407, Mississippi Code of 1972, is 698 amended as follows:
- 43-13-407. (1) In accordance with the purposes of this

 700 article, there is established in the State Treasury the Health

 701 Care Expendable Fund, into which shall be transferred from the

 702 Health Care Trust Fund the following sums:

- 703 (a) In fiscal year 2000, Fifty Million Dollars
- 704 (\$50,000,000.00);
- 705 (b) In fiscal year 2001, Fifty-five Million Dollars
- 706 (\$55,000,000.00);
- 707 (c) In fiscal year 2002, Sixty Million Five Hundred
- 708 Thousand Dollars (\$60,500,000.00);
- 709 (d) In fiscal year 2003, Sixty-six Million Five Hundred
- 710 Fifty Thousand Dollars (\$66,550,000.00);
- 711 (e) In fiscal year 2004 and each subsequent fiscal
- 712 year, a sum equal to the average annual amount of the income from
- 713 the investment of the funds in the Health Care Trust Fund since
- 714 July 1, 1999.
- 715 (2) In any fiscal year in which interest and dividends from
- 716 the investment of the funds in the Health Care Trust Fund are not
- 717 sufficient to fund the full amount of the annual transfer into the
- 718 Health Care Expendable Fund as required in subsection (1) of this
- 719 section, the State Treasurer shall transfer from tobacco
- 720 settlement installment payments an amount that is sufficient to
- 721 fully fund the amount of the annual transfer.
- 722 (3) (a) On March 6, 2002, the State Treasurer shall
- 723 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
- 724 from the Health Care Trust Fund into the Health Care Expendable
- 725 Fund. In addition, at the time the State of Mississippi receives
- 726 the 2002 calendar year tobacco settlement installment payment, the
- 727 State Treasurer shall deposit the full amount of that installment
- 728 payment into the Health Care Expendable Fund.
- 729 (b) If during any fiscal year after March 6, 2002, the
- 730 general fund revenues received by the state exceed the general
- 731 fund revenues received during the previous fiscal year by more
- 732 than five percent (5%), the Legislature shall repay to the Health
- 733 Care Trust Fund one-third (1/3) of the amount of the general fund
- 734 revenues that exceed the five percent (5%) growth in general fund
- 735 revenues. The repayment required by this paragraph shall continue

- 736 in each fiscal year in which there is more than five percent (5%)
- 737 growth in general fund revenues, until the full amount of the
- 738 funds that were transferred and deposited into the Health Care
- 739 Expendable Fund under the provisions of paragraph (a) of this
- 740 subsection have been repaid to the Health Care Trust Fund.
- 741 (4) All income from the investment of the funds in the
- 742 Health Care Expendable Fund shall be credited to the account of
- 743 the Health Care Expendable Fund. Any funds in the Health Care
- 744 Expendable Fund at the end of a fiscal year shall not lapse into
- 745 the State General Fund.
- 746 (5) The funds in the Health Care Expendable Fund shall be
- 747 available for expenditure under specific appropriation by the
- 748 Legislature beginning in fiscal year 2000, and shall be expended
- 749 exclusively for health care purposes, including, but not limited
- 750 to, the initial funding for the Medical Malpractice Risk Pool
- 751 established in House Bill _____, 2002 Third Extraordinary
- 752 Session.
- 753 (6) Subsections (1), (2), (4) and (5) of this section shall
- 754 stand repealed on July 1, 2004.
- 755 **SECTION 18.** Section 43-11-1, Mississippi Code of 1972, is
- 756 amended as follows:
- 757 43-11-1. When used in this chapter, the following words
- 758 shall have the following meaning:
- 759 (a) "Institutions for the aged or infirm" means a place
- 760 either governmental or private which provides group living
- 761 arrangements for four (4) or more persons who are unrelated to the
- 762 operator and who are being provided food, shelter and personal
- 763 care whether any such place be organized or operated for profit or
- 764 not. The term "institution for aged or infirm" includes nursing
- 765 homes, pediatric skilled nursing facilities, psychiatric
- 766 residential treatment facilities, convalescent homes and homes for
- 767 the aged, provided that these institutions fall within the scope
- 768 of the definitions set forth above. The term "institution for the

- aged or infirm" does not include hospitals, clinics or mental 769
- institutions devoted primarily to providing medical service. 770
- 771 "Person" means any individual, firm, partnership,
- 772 corporation, company, association or joint stock association, or
- 773 any licensee herein or the legal successor thereof.
- "Personal care" means assistance rendered by 774
- 775 personnel of the home to aged or infirm residents in performing
- one or more of the activities of daily living, which includes, but 776
- is not limited to, the bathing, walking, excretory functions, 777
- feeding, personal grooming and dressing of such residents. 778
- 779 "Psychiatric residential treatment facility" means
- 780 any nonhospital establishment with permanent facilities which
- provides a 24-hour program of care by qualified therapists 781
- 782 including, but not limited to, duly licensed mental health
- professionals, psychiatrists, psychologists, psychotherapists and 783
- licensed certified social workers, for emotionally disturbed 784
- children and adolescents referred to such facility by a court, 785
- 786 local school district or by the Department of Human Services, who
- 787 are not in an acute phase of illness requiring the services of a
- psychiatric hospital, and are in need of such restorative 788
- treatment services. For purposes of this paragraph, the term 789
- 790 "emotionally disturbed" means a condition exhibiting one or more
- of the following characteristics over a long period of time and to 791
- a marked degree, which adversely affects educational performance: 792
- 793 1. An inability to learn which cannot be explained
- by intellectual, sensory or health factors; 794
- An inability to build or maintain satisfactory 795
- relationships with peers and teachers; 796
- 797 3. Inappropriate types of behavior or feelings
- 798 under normal circumstances;
- 4. A general pervasive mood of unhappiness or 799
- 800 depression; or

- 5. A tendency to develop physical symptoms or fears associated with personal or school problems. An establishment furnishing primarily domiciliary care is not within this definition.
- (e) "Pediatric skilled nursing facility" means an institution or a distinct part of an institution that is primarily engaged in providing to inpatients skilled nursing care and related services for persons under twenty-one (21) years of age who require medical or nursing care or rehabilitation services for the rehabilitation of injured, disabled or sick persons.
- 811 (f) "Licensing agency" means the State Department of 812 Health.
- g) "Medical records" mean, without restriction, those
 medical histories, records, reports, summaries, diagnoses and
 prognoses, records of treatment and medication ordered and given,
 notes, entries, x-rays and other written or graphic data prepared,
 kept, made or maintained in institutions for the aged or infirm
 that pertain to residency in, or services rendered to residents
- 820 **SECTION 19.** The following shall be codified as Section 821 43-11-16, Mississippi Code of 1972:

of, an institution for the aged or infirm.

- 43-11-16, Mississippi Code of 1972: 822 43-11-16. Medical records are and shall remain the property of the various institutions for the aged and infirm, subject 823 however to reasonable access to the information contained therein 824 825 upon good cause shown by the resident, his personal representatives, including, but not limited to, legal counsel, 826 heirs, his attending medical personnel and his duly authorized 827 nominees, and upon payment of any reasonable charges for such 828 Nothing in this section shall be construed to deny 829 service.
- access to medical records by the licensing agency in the discharge of its official duties under this chapter. Except as otherwise
- 832 provided by law, medical records shall not constitute public
- 833 records and nothing in this section shall be deemed to impair any

- 834 privilege of confidence conferred by law or the Mississippi Rules
- 835 of Evidence on residents, their personal representatives or heirs
- 836 by Section 13-1-21.
- 837 **SECTION 20.** (1) There is created the Medical Malpractice
- 838 Mediation Board which shall be comprised of the following members:
- (a) One (1) person appointed by the Governor;
- 840 (b) One (1) person appointed by the Mississippi Trial
- 841 Lawyers Association;
- 842 (c) One (1) person appointed by the Mississippi Bar;
- (d) One (1) person appointed by the Magnolia Bar
- 844 Association;
- (e) One (1) person appointed by the Mississippi
- 846 Hospital Association;
- (f) One (1) person appointed by the Mississippi Medical
- 848 Association; and
- (g) One person appointed by the Mississippi Medical and
- 850 Surgical Association.
- 851 (2) All Members of the board shall be entitled to per diem
- 852 as provided in Section 25-3-69 and travel expenses as provided in
- 853 Section 25-3-41 for the performance of their duties as members of
- 854 the board.
- 855 (3) The board shall elect a chairman and other officers it
- 856 deems necessary to carry out the purposes of this act.
- 857 **SECTION 21.** Before any medical malpractice suit or suit
- 858 involving a nursing facility may be brought, the dispute must be
- 859 submitted for mediation. The board shall appoint and certify
- 860 mediators for such disputes. Mediators shall be members of the
- 861 Mississippi Bar who have been engaged in the active practice of
- law for a minimum of five (5) years. The mediator shall make
- 863 every effort to help parties resolve their dispute in order to
- 864 avoid litigation. Mediation shall be informal and rules of Civil
- 865 Procedure and Evidence shall be relaxed. Mediation under this act
- 866 shall be nonbinding unless the parties agree in writing to make

the mediation binding. Any matter which is submitted for mediation under this act which is not resolved may not be filed as civil action until ninety (90) days after the termination of mediation.

SECTION 22. Sections 20 and 21 of this act shall not be construed to take away from the courts their power over awards, nor to make invalid any award good at common law. Sections 20 and 21 of this act shall be liberally construed for the encouragement of the settlement of disputes and the prevention of litigation.

SECTION 23. (1) The Commissioner of Insurance annually for a period of three (3) years shall compile and provide to the Legislature a report on the number of medical malpractice claims, the rate being charged for medical malpractice insurance premiums, the number of physicians leaving the state, the number of medical malpractice settlements in excess of Thirty Thousand Dollars (\$30,000.00), and any other issues that the commissioner determines impact the medical profession.

(2) The State Board of Medical Licensure shall publicly and annually report all medical malpractice investigations referred to the Attorney General and indicate which doctors have settled malpractice suits, within the restraints of confidentiality.

SECTION 24. If any graduate of the University of Mississippi Medical Center decides to retain residency and practice medicine in the state upon graduation from any accredited medical doctor program or nurse practitioner program, then for a period of two (2) years that physician or nurse practitioner shall be able to receive from designated state funds an amount not to exceed twenty percent (20%) of such physician's or nurse practitioner's medical malpractice premium should those funds be made available by the Legislature and if the physician's or nurse practitioner's practice includes a minimum of twenty percent (20%) Medicaid paid patients.

SECTION 25. (1) Any licensed physician or certified nurse practitioner who voluntarily provides needed medical or health services to any program at an accredited school in the state without the expectation of payment due to the inability of such person to pay for said services shall be immune from liability for any civil action arising out of the provision of such medical or health services provided in good faith on a charitable basis. This section shall not extend immunity to acts of willful or gross negligence. Except in cases of rendering emergency care wherein the provisions of Section 73-25-37, Mississippi Code of 1972, apply, immunity under this section shall be extended only if the physician or certified nurse practitioner and patient execute a written waiver in advance of the rendering of such medical services specifying that such services are provided without the expectation of payment and that the licensed physician or certified nurse practitioner shall be immune as provided herein. Any physician who voluntarily renders any medical service under a special volunteer medical license authorized under Section 73-25-18, or in the aftermath of a natural disaster, including, but not limited to, hurricanes and tornadoes, without any payment or compensation or the expectation or promise of any

917 918 919 920 payment or compensation shall be immune from liability for any 921 civil action arising out of any act or omission resulting from the rendering of the medical service unless the act or omission was 922 923 the result of the physician's gross negligence or willful misconduct. In order for the immunity under this subsection to 924 925 apply, there must be a written or oral agreement for the physician to provide a voluntary noncompensated medical service before the 926 rendering of the service by the physician. 927

SECTION 26. This act shall take effect and be in force from and after its passage and shall apply only to causes of action accruing on or after that date.

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